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PTQ1314

RELEASED IN PART  
B1, 1.4(D)

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ACTION WHA-00

INFO	LOG-00	MFA-00	NP-00	AID-00	CEA-01	CIAE-00	COME-00
	CTME-00	INL-00	DODE-00	DOEE-00	DOTE-00	PERC-00	SRPP-00
	DS-00	EAP-00	EB-00	EXIM-01	E-00	FAAE-00	VC-00
	FRB-00	H-01	TEDE-00	INR-00	ITC-01	LAB-01	L-00
	CAC-00	VCE-00	AC-01	NSAE-00	OCS-03	OMB-01	DHS-00
	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00	SP-00
	IRM-00	SSO-00	SS-00	STR-00	TRSE-00	USIE-00	EPAE-00
	PMB-00	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00	SAS-00

/013W

-----1370E7 052341Z /38

O 052242Z DEC 02  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC IMMEDIATE 8856  
INFO AMEMBASSY BOGOTA PRIORITY  
AMEMBASSY BRASILIA PRIORITY  
AMEMBASSY LIMA PRIORITY  
AMEMBASSY MEXICO PRIORITY  
AMEMBASSY QUITO PRIORITY  
AMEMBASSY SANTIAGO PRIORITY  
NSC WASHDC PRIORITY  
USCINCSO MIAMI FL PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 003892

NSC FOR LLORENS  
USCINCSO ALSO FOR POLAD

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E.O. 12958: DECL: 12/05/2012  
TAGS: PGOV, PREL, ECON, ASEC, CASC, VE  
SUBJECT: STRIKE DAY FOUR: FIGHT FOR THE OIL

CLASSIFIED BY: AMBASSADOR CHARLES S. SHAPIRO, REASONS 1.5 (B) & (D)

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SUMMARY  
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1. (C) THE OPPOSITION EXTENDED ITS STRIKE ON DECEMBER 5. THE STRIKE CONTINUES TO LOSE ITS GRIP ON THE NON-OIL ECONOMY, BUT MAJOR INDUSTRIES AND BUSINESSES APPEAR WILLING TO HOLD OUT AS LONG AS PETROLEUM OF VENEZUELA (PDVSA) DOES. FOR ITS PART,

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PDVSA MAY BE HEADING FOR COMPLETE SHUTDOWN. IN AN ADDRESS TO THE NATION DECEMBER 5, PRESIDENT CHAVEZ CONDEMNED THE STRIKE.

THE OPPOSITION STARTED TO MARCH ACROSS THE CITY WHEN CHAVEZ SUPPORTERS GATHERED BEFORE DAWN AT A PDVSA BUILDING WHERE THE ANTI-CHAVEZ PROTESTERS WERE TO GO. [REDACTED]

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ALL EYES ON THE OIL  
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2. (C) THE OPPOSITION'S GENERAL STRIKE ENTERED DAY FOUR DECEMBER 5, AND ORGANIZERS EXTENDED IT, WITH THE BELIEF THAT CONTINUED PRESSURE ON THE CHAVEZ GOVERNMENT WILL FORCE ELECTORAL CONCESSIONS. WHILE MANY SECTORS OF THE ECONOMY

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SLOWLY REVERT TO NORMAL, CRISIS APPEARS TO BE ENVELOPING STATE OIL PRODUCER PETROLEUM OF VENEZUELA (PDVSA). PDVSA LABOR LEADERS SAY THEIR OBJECTIVE IS TO "SYSTEMATICALLY" SHUT DOWN OIL OPERATIONS UNTIL THE GOVERNMENT ENDS ITS "POLITICIZATION" OF THE COMPANY. PRESIDENT CHAVEZ, HOWEVER, IS COMMITTED TO RETAINING CONTROL OVER THE OIL SECTOR AND KEEPING PDVSA RUNNING. SEVERAL MERCHANT MARINE TANKERS IN LAKE MARACAIBO DROPPED ANCHOR DECEMBER 4-5, IN SUPPORT OF THE STRIKE, THREATENING THE SHIPPING CHANNEL. IN A NATIONALLY TELEVISED ADDRESS, CHAVEZ WARNED THAT THE GOV WOULD SEIZE THE OIL TANKERS TO MAINTAIN THE CHANNEL OPEN. [REDACTED]

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SEVERAL REFINERIES ARE ALSO REPORTED TO BE NEAR SHUTDOWN FOR TECHNICAL PROBLEMS AND LACK OF PERSONNEL.

3. (C) GOV SPOKESMEN, INCLUDING PDVSA PRESIDENT ALI RODRIGUEZ AND ENERGY VICE MINISTER BERNARDO ALVAREZ, CONTINUE TO AFFIRM THAT PDVSA WILL BE ABLE TO MEET BOTH INTERNATIONAL AND DOMESTIC OBLIGATIONS, ALBEIT WITH DELAYS. [REDACTED]

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OTHER ECONOMIC CONDITIONS

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4. (U) THE STRIKE CONTINUES TO SLOWLY LOOSEN ITS GRIP ON THE NON-OIL ECONOMY. PUBLIC AND PRIVATE TRANSPORT IN CARACAS IS STILL OPERATING, WITH GASOLINE GENERALLY AVAILABLE AT THE PUMP. CARACAS TRAFFIC, ESPECIALLY IN DOWNTOWN NEIGHBORHOODS, WAS DENSER THAN IN PREVIOUS DAYS. WHILE DOMESTIC AIR TRAVEL REMAINS LARGELY SUSPENDED, INTERNATIONAL ARRIVALS AND DEPARTURES CONTINUE. AIRLINES, HOWEVER, ADVISE US THAT AVIATION FUEL SUPPLIES AT MAIQUETIA AIRPORT ARE DOWN TO 30 PERCENT OF NORMAL, AND AIRCRAFT ARE FUELING IN CURACAO.

5. (C) [REDACTED] TOLD ECONOFF THAT 80 PERCENT OF BANKS WERE OPERATING, TRACKING WITH ECONOFF'S OBSERVATIONS THROUGHOUT CARACAS. ONE OF THE DIRECTORS OF BANESCO TOLD POLCOUNS DECEMBER 4 THAT BANKING ACTIVITY WAS DOWN TO APPROXIMATELY 40 PERCENT OF THE ACTIVITY MEASURED NOVEMBER 29. MOST FOREIGN EXCHANGE HOUSES ARE ALSO OPERATING. THE BOLIVAR REMAINS STABLE, TRADING AT 1319/DOLLAR. VENEZUELA'S LARGE INDUSTRIAL SECTOR (INCLUDING THE BIG VALENCIA AUTO PLANTS) REMAINS LOYAL TO THE STRIKE. HOWEVER, THE ISSUE OF STRIKING WORKER'S SALARIES HAS ARISEN.

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[REDACTED] TOLD ECONCOUNS DECEMBER 5 HE WAS SURE THE STRIKE WOULD BE PROLONGED. CHAVEZ'S LATEST REMARKS MAKE IT IMPOSSIBLE TO GO BACKWARDS, HE ASSERTED. HE CONTINUES TO BELIEVE THE STRIKE HAS BEEN SUCCESSFUL WITH INDUSTRY AND BIG BUSINESSES, WHICH WOULD CONTINUE TO PAY THE

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INFO	LOG-00	MFA-00	NP-00	AID-00	CEA-01	CIAE-00	COME-00
	CTME-00	DODE-00	DOEE-00	DOTE-00	SRPP-00	DS-00	EB-00
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	INR-00	ITC-01	LAB-01	L-00	CAC-00	VCE-00	AC-01
	NSAE-00	OCS-03	OMB-01	DHS-00	OPIC-01	PA-00	PM-00
	PRS-00	ACE-00	P-00	SP-00	IRM-00	SSO-00	SS-00
	STR-00	TRSE-00	USIE-00	ASDS-00	EPAE-00	PMB-00	DSCC-00
	PRM-00	DRL-02	G-00	NFAT-00	SAS-00	/013W	

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O 052242Z DEC 02  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC IMMEDIATE 8857

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INFO AMEMBASSY BOGOTA PRIORITY  
AMEMBASSY BRASILIA PRIORITY  
AMEMBASSY LIMA PRIORITY  
AMEMBASSY MEXICO PRIORITY  
AMEMBASSY QUITO PRIORITY  
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C O N F I D E N T I A L SECTION 02 OF 02 CARACAS 003892

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SALARIES OF STRIKING WORKERS, BUT WEAK IN THE RETAIL SECTOR.

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CHAVEZ SUPPORTERS PLACE OPPOSITION IN CHECK  
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6. (U) STRIKE ORGANIZERS PLANNED FOR OPPOSITION SUPPORTERS TO MARCH FROM THE PRINCIPLE PDVSA BUILDINGS IN CHUAO WEST TO THE PDVSA BUILDINGS IN LA CAMPINA THE AFTERNOON OF DECEMBER 5. HOWEVER, THE OPPOSITION FAILED TO MARCH ACROSS THE CITY WHEN CHAVEZ SUPPORTERS - ALSO PROTESTING THE "POLITICIZATION" OF PDVSA - GATHERED EARLY AT A PDVSA BUILDING WHERE THE ANTI-CHAVEZ PROTESTERS WERE TO GO. ACCORDING TO PRESS REPORTS, NATIONAL GUARD TROOPS HAD WOUNDED TWO OPPOSITION SUPPORTERS WHILE BREAKING UP A DEMONSTRATION AT THE NATIONAL GUARD COMMANDER'S HOME DECEMBER 4.

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GOV REFUSES TO RETURN TO TALKS  
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